

SECRET

NOTICE OF PENDING LEGISLATION

DATE

28 June 1955

LEGISLATIVE BILL NO.

H R 5560

SECTION I

GENERAL

TO : Director of Logistics

FROM: LEGISLATIVE COUNSEL
OFFICE OF GENERAL COUNSEL

THE ATTACHED BILL, WHICH HAS BEEN INTRODUCED INTO CONGRESS, IS:

☐ SENT TO YOU FOR INFORMATION ONLY.

☐ A BILL ON WHICH FAVORABLE CONGRESSIONAL ACTION ☐ IS ☐ IS NOT PREDICTED.

☐ SENT FOR YOUR COMMENT AS TO WHETHER IT IS OF INTEREST TO CIA ACTIVITIES, AND WHETHER FURTHER ACTION BY THIS OFFICE IS NECESSARY OR DESIRED.

IT IS REQUESTED THAT COMMENTS CONCERNING THIS LEGISLATION BE FORWARDED, THROUGH APPROPRIATE CHANNELS, TO THIS OFFICE, BY _____.

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HERE

SECTION II

COMMENTS (From Original Addressee)

TO : LEGISLATIVE COUNSEL
OFFICE OF GENERAL COUNSEL

FROM: Director of Logistics

1. H.R. 5560 amends and makes permanent the provisions of Public Law 633, 77th Congress, which in turn provided for duty free entry into the United States, as well as certain of its territories and possessions, for personal effects and household goods belonging to personnel in the service of the United States, following an extended tour of duty in an overseas area.

2. This Bill is of distinct interest to CIA as it will permit the continued exemption from custom duties of personal effects and household goods belonging to Agency personnel returning to the continental United States, and certain of its territories and possessions, following extended tours of duty in overseas areas. This privilege expired midnight 30 June 1955 and, in the event this Bill is not enacted into law, effective 1 July 1955, all government employees, both civilian and military, will be required to declare and pay duty on all personal effects and household goods being returned following overseas assignment.

3. In view of the above factors, it is recommended that all possible action be taken to implement passage of H.R. 5560 and that its provisions be made retroactive to 1 July 1955 to preclude against the possibility of customs duties being levied against Agency personnel returning to the United States, and specified territories and possessions, following overseas assignment.

25X1A

DATE OF COMMENTS

SIGNATURE AND TITLE

EXTENSION

Approved For Release 2002/01/10 : CIA-RDP59-00224A000200460001-3

Director of Logistics

SECRET

5-3468-a

UNCLASSIFIED

CONFIDENTIAL

SECRET

Approved For Release 2002/01/10 : CIA-RDP59-00224A000200460001-3

ROUTING AND RECORD SHEET

INSTRUCTIONS: Officer designations should be used in the "TO" column. Under each comment a line should be drawn across sheet and each comment numbered to correspond with the number in the "TO" column. Each officer should initial (check mark insufficient) before further routing. This Routing and Record Sheet should be returned to Registry.

FROM:

TELEPHONE

NO.

Director of Logistics

DATE

5 July 1955

25X1A

TO	ROOM NO.	DATE		OFFICER'S INITIALS	TELEPHONE	COMMENTS
		REC'D	FWD'D			
1. Deputy Director (Support)			7/11/55			PL - 126
2. General Counsel						
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Approved For Release 2002/01/10 : CIA-RDP59-00224A000200460001-3

FORM 1 MAY 54

51-10

PREVIOUS EDITIONS MAY BE USED

SECRET

CONFIDENTIAL

UNCLASSIFIED

(40)

5-3458-a

NOTICE OF PENDING LEGISLATION		DATE <hr/>
		LEGISLATIVE BILL NO. H.R. 5560
SECTION I GENERAL		
TO :	FROM: LEGISLATIVE COUNSEL OFFICE OF GENERAL COUNSEL	
THE ATTACHED BILL, WHICH HAS BEEN INTRODUCED INTO CONGRESS, IS:		
<input type="checkbox"/> SENT TO YOU FOR INFORMATION ONLY.		
<input type="checkbox"/> A BILL ON WHICH FAVORABLE CONGRESSIONAL ACTION <input checked="" type="checkbox"/> IS <input type="checkbox"/> IS NOT PREDICTED.		
<input checked="" type="checkbox"/> SENT FOR YOUR COMMENT AS TO WHETHER IT IS OF INTEREST TO CIA ACTIVITIES, AND WHETHER FURTHER ACTION BY THIS OFFICE IS NECESSARY OR DESIRED.		
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> IT IS REQUESTED THAT COMMENTS CONCERNING THIS LEGISLATION BE FORWARDED, THROUGH APPROPRIATE CHANNELS, TO THIS OFFICE, BY _____ </div>		
SECTION II COMMENTS (From Original Addressee)		
TO : LEGISLATIVE COUNSEL OFFICE OF GENERAL COUNSEL	FROM:	
24 June 1955 84/1		
<p>AN ACT</p> <p>Relating to the free importation of personal and household effects brought into the United States under Government orders, and for other purposes.</p> <p>Distribution:</p> <div style="display: flex; justify-content: space-between; align-items: flex-start; margin-top: 20px;"> <div style="width: 45%;"> <p>1- Director of Logistics</p> <div style="background-color: black; width: 200px; height: 80px; margin-top: 10px;"></div> </div> <div style="width: 50%; font-family: cursive;"> <p>House Report No. 859 Passed House 23 June '55 27 June '55 Senate Report 690 passed Senate amended 30 June '55 House agrees Senate amendments 30 June '55 PL 126</p> </div> </div>		
<p>Note: Please give this immediate attention to determine whether it is of interest to CIA activities.</p>		
DATE OF COMMENTS	SIGNATURE AND TITLE	EXTENSION

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NOTICE OF PENDING LEGISLATION

DATE

28 June 1955

LEGISLATIVE BILL NO.

H. R. 5560

SECTION I

GENERAL

TO : Director of Logistics

FROM: LEGISLATIVE COUNSEL
OFFICE OF GENERAL COUNSEL

THE ATTACHED BILL, WHICH HAS BEEN INTRODUCED INTO CONGRESS, IS:

☐ SENT TO YOU FOR INFORMATION ONLY.☐ A BILL ON WHICH FAVORABLE CONGRESSIONAL ACTION ☒ IS ☐ IS NOT PREDICTED.☒ SENT FOR YOUR COMMENT AS TO WHETHER IT IS OF INTEREST TO CIA ACTIVITIES, AND WHETHER FURTHER ACTION BY THIS OFFICE IS NECESSARY OR DESIRED.

IT IS REQUESTED THAT COMMENTS CONCERNING THIS LEGISLATION BE FORWARDED, THROUGH APPROPRIATE CHANNELS, TO THIS OFFICE, BY _____

FOLD
HEREFOLD
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SECTION II

COMMENTS (From Original Addressee)

TO : LEGISLATIVE COUNSEL
OFFICE OF GENERAL COUNSELFROM: SSA-DD/S
Room 2004, I Bldg.

Please give this immediate attention to determine whether it is of interest to CIA activities.

1. HR 5560 should have a continuing beneficial effect in improving the attractiveness of overseas duty for Agency personnel.

2. Further action by your office is believed to be not necessary.

STATINTL

DATE OF COMMENTS

SIGNATURE AND TITLE

8 July 1955

Approved For Release 2002/01/10 : C

Calendar No. 695

84TH CONGRESS }
1st Session }

SENATE

{ REPORT
{ No. 690

FREE IMPORTATION OF PERSONAL AND HOUSEHOLD
EFFECTS BROUGHT INTO THE UNITED STATES UNDER
GOVERNMENT ORDERS

JUNE 29, 1955.—Ordered to be printed

Mr. JOHNSON of Texas (for Mr. BYRD), from the Committee on
Finance, submitted the following

R E P O R T

[To accompany H. R. 5560]

The Committee on Finance, to whom was referred the bill (H. R. 5560) relating to the free importation of personal and household effects brought into the United States under Government orders, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill, as amended, do pass.

AMENDMENT

The House bill would have made permanent the right of citizens returning from extended foreign assignments to bring in free of duty their personal and household goods.

The Finance Committee felt that because of the marked increase in foreign assignments of military and civilian personnel and the corresponding increase in the possibility of abuse, periodic congressional review should be made.

An amendment was adopted which provides for a 3-year extension in lieu of the permanent authority contained in the bill.

PURPOSE

The purpose of H. R. 5560, as amended by the Finance Committee, is to provide for a continuation until July 1, 1958, of the exemption from duty of personal and household effects brought into the United States under Government orders. The bill also amends the Tariff Act of 1930 (ch. 497, 46 Stat. 590), section 401 (a) of the Antismuggling Act (ch. 438, 49 Stat. 529), and sections 542, 544, and 545 of title 18, United States Code, so as to place the military and civilian

55006

personnel stationed on Johnston Island in the same legal position with regard to customs laws and smuggling laws as the personnel stationed on Wake Island and Midway Island.

The act of June 27, 1942 (Public Law 633, 77th Cong.; 56 Stat. 461), allowed, until the day following the proclamation of peace by the President, the free entry of personal and household effects of any person returning to the United States under Government orders.

Public Law 450 of the 82d Congress extended the period of free entry to April 1, 1953.

Public Law 20 of the 83d Congress continued the free-entry privilege to July 1, 1955.

H. R. 5560, as amended, will provide a free-entry privilege for the personal and household effects of certain persons in the service of the United States until July 1, 1958.

The privilege of importing personal and household goods without the trouble and expense of paying duty has constituted an important morale factor and has been a needed incentive to overseas duty on the part of Government personnel. The administrative burdens involved in the movement of personnel and members of families would be seriously increased if the present free-entry privilege was to be allowed to lapse.

The Department of Defense has recommended that this legislation be adopted.

Temporary allowance for free importation of personal and household goods not for sale has been continued at intervals since first adopted in June 1942. Under these laws such free importation might take place whether the foreign service was of long or short duration. Under H. R. 5560 only those on extended foreign assignment would be allowed the duty-free privilege relating to personal and household goods. For short assignments abroad the necessity for acquiring large amounts of personal or household goods would not be so likely to arise and those having short assignments could claim the ordinary duty-free tourist privileges granted to all citizens.

In extending this authority, it is recognized that our international relations and constantly increasing foreign trade will continue to require that substantial numbers of Government personnel be assigned to foreign service.

The free importation of personal or household effects permitted by the bill is based on the termination of the foreign assignment and the return to the United States of the employee concerned. An overly rigid interpretation of the language to mean that the employee must physically accompany the household effects or that all foreign assignments must have terminated could result in considerable inconvenience or loss of the free importation privileges. Civil or military personnel are frequently transferred to other temporary foreign assignments prior to their return to the United States, and find it impossible to carry with them all their household or personal goods. Others released from foreign assignments take advantage of the opportunity to travel abroad before returning to the United States. The committee is of the opinion that the Secretary of the Treasury will be reasonably lenient in the administration of the proposed law without allowing abuses to multiply.

The Treasury Department recognizes that, especially with regard to liquor and tobacco, some returning Government employees may have

taken undue advantage of the free import privilege. It is anticipated that this will be held to a low minimum in the future by the requirement in the law that it shall apply only to those on extended foreign duty and the Treasury regulation that free imports of liquor and tobacco will be limited to those amounts allowed to returning tourists.

H. R. 5560 would accord to personnel stationed on Johnston Island the same privilege granted to personnel stationed on Wake Island and Midway Island with respect to allowing personal and household effects to be admitted to the United States without payment of duty when such effects are forwarded to the United States by reason of Government instructions regarding the movement of the owner of the article. Personnel stationed on Wake Island and Midway Island are entitled under present law to this privilege because these islands were exempted from the customs laws of the United States by the act of June 25, 1938 (ch. 679, 52 Stat. 1077) and are considered therefore, for customs purposes, as foreign countries. Under existing law a transfer of articles from Johnston Island to the Territory of Hawaii or the continental United States is not considered to constitute "an importation" within the meaning of the applicable sections of the customs laws.

The Department of the Navy submitted the following favorable report on this legislation:

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
Washington 25, D. C., February 12, 1955.

Hon. RICHARD M. NIXON,
President of the Senate,
United States Senate, Washington 25, D. C.

MY DEAR MR. PRESIDENT: There is forwarded herewith a draft of legislation to amend the act of June 27, 1942 (ch. 453, 56 Stat. 461), as amended, to make permanent the exemptions from duty of personal and household effects, and for other purposes.

This proposal is a part of the Department of Defense legislative program for 1955, and the Bureau of the Budget has advised that there would be no objection to its transmittal to the Congress for consideration. The Department of the Navy has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The purpose of this proposal is to make permanent the existing temporary authority for the exemptions from duty of personal and household effects brought into the United States under Government orders. The present law was temporarily extended by Public Law 20 of the 83d Congress and will expire on July 1, 1955. This law permits the free entry of personal and household effects of any person evacuated into the United States under Government orders and applies to the personal and household effects of any person in the service of the United States, or of his family, which are forwarded to the United States by reason of Government instructions regarding the movement of the owner of the article, whether or not the owner returns to this country.

In view of the expansion of the Armed Forces and the continuing international obligations and commitments of the Government, which require, and will continue to require, the presence in many parts of the world of substantial numbers of personnel in the Armed Forces, this Department believes the free entry privileges should be made permanent. Termination of this authority not only would impose inequitable administrative burdens upon persons evacuated to the United States but would remove an important morale factor and inducement to overseas duty. In view of the foregoing, it is believed that rather than continually burden the Congress with requests for extensions, the authority should be made permanent. The exercise of this authority is safeguarded from abuse by appropriate regulations of the Department of the Treasury, as required by the act.

4 FREE IMPORTATION OF PERSONAL AND HOUSEHOLD EFFECTS

Additionally, this proposal would further amend the Tariff Act of 1930 (ch. 497, 46 Stat. 590), section 401 (a) of the Antismuggling Act (ch. 438, 49 Stat. 529), and sections 542, 544, and 545 of title 18, United States Code, so as to place the military and civilian personnel residing on Johnston Island in the same legal position with regard to the customs laws and smuggling laws as the personnel who reside on Wake Island, Midway Island, and Kingman Reef.

The act of June 28, 1938 (ch. 679, 52 Stat. 1077), made various amendments to the Tariff Act of 1930 and the Antismuggling Act, the effect of which was to exclude Wake Island, Midway Island, and Kingman Reef from the term "United States" wherever it is found in the laws relating to customs administration and smuggling. As a consequence, the personnel assigned to those islands are within the scope of the act of June 27, 1942 (ch. 453, 56 Stat. 461), as amended. That act, which would be made permanent by the first section of this proposal, currently authorizes, until July 1, 1955, the free importation into the United States without the payment of any import tax or duty of "the personal and household effects of any person in the service of the United States, or his family, or of any person evacuated to the United States," when the movement is made in compliance with Government orders. Johnston Island was not excluded from the term "United States," and, therefore, when personnel assigned to that island are transferred on Government orders back to the United States, they are required to pay duty upon any articles of foreign manufacture purchased by them on Johnston Island, upon which duty has not already been paid.

The Department of Defense is of the opinion that this inequality in the treatment of personnel assigned to islands in the Pacific is unjustifiable and causes lower morale among the personnel assigned to Johnston Island. In this regard, it is noted that personnel assigned to that island are "outside the continental limits of the United States" for the purposes of the act of December 5, 1942 (ch. 680, 56 Stat. 1041), as amended, and, like personnel assigned to Wake Island, Midway Island, and Kingman Reef, may mail gifts which do not exceed \$50 in value to the United States free of all customs duty. It is an anomalous situation for personnel on Johnston Island to be able to mail gifts to the United States without payment of duty thereon, while unable to ship such articles of foreign manufacture back to the United States among their personal and household effects.

COST AND BUDGET DATA

This proposal would cause no increase in the budgetary requirements for the Department of Defense.

Sincerely yours,

C. S. THOMAS.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

ACT OF JUNE 27, 1942

(Public Law 633, 77th Cong.)

AN ACT To exempt from duty personal and household effects brought into the United States under Government orders

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That, under such regulations as the Secretary of the Treasury may prescribe, the personal and household effects of any person in the service of the United States, or of his family, or of any person evacuated to the United States under Government orders, may be brought into the United States or any of its possessions, pursuant to Government orders or instructions, without the payment of any duty or tax imposed upon, or by reason of, importation.

[SEC. 2. This Act shall be effective with respect to articles entered for consumption or withdrawn from warehouse for consumption on or after December 8, 1941, and before July 1, 1955. The free entry herein authorized shall apply to any effects described in section 1 which are in customs custody on the effective

FREE IMPORTATION OF PERSONAL AND HOUSEHOLD EFFECTS 5

date of this Act, notwithstanding the provisions of sections 490 and 491 of the Tariff Act of 1930, as amended. ¹ That under regulations to be prescribed by the Secretary of the Treasury, after consultation with such agencies as he shall consider to be substantially interested, the personal and household effects (with such limitation on the importation of alcoholic beverages and tobacco products as the Secretary may prescribe) of any person in the service of the United States who returns to the United States upon the termination of assignment to extended duty (as defined in the above-authorized regulations) at a post or station outside the customs territory of the United States, or of returning members of his family who have resided with him at such post or station, or of any person evacuated to the United States under Government orders or instructions, may be brought into customs territory of the United States without the payment of any duty or tax imposed upon, or by reason of, importation.

TARIFF ACT OF 1930

TITLE I—DUTIABLE LIST

SECTION 1. That on and after the day following the passage of this Act, except as otherwise specially provided for in this Act, there shall be levied, collected, and paid upon all articles when imported from any foreign country into the United States or into any of its possessions (except the Philippine Islands, the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, and the island of Guam) the rates of duty which are prescribed by the schedules and paragraphs of the dutiable list of this title, namely:

* * * * *

TITLE II—FREE LIST

SEC. 201. That on and after the day following the passage of this Act, except as otherwise specially provided for in this Act, the articles mentioned in the following paragraphs, when imported into the United States or into any of its possessions (except the Philippine Islands, the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, and the island of Guam), shall be exempt from duty:

* * * * *

TITLE IV—ADMINISTRATIVE PROVISIONS

PART I—DEFINITIONS

SEC. 401. MISCELLANEOUS.

When used in this title or in part I of title III—

* * * * *

(k) UNITED STATES.—The term "United States" includes all Territories and possessions of the United States, except the Philippine Islands, the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, and the island of Guam.

* * * * *

PART IV—TRANSPORTATION IN BOND AND WAREHOUSING OF MERCHANDISE

* * * * *

SEC. 557. ENTRY FOR WAREHOUSE—WAREHOUSE PERIOD—DRAWBACK.

(a) Any merchandise subject to duty, with the exception of perishable articles and explosive substances other than firecrackers, may be entered for warehousing and be deposited in a bonded warehouse at the expense and risk of the owner, importer, or consignee. Such merchandise may be withdrawn, at any time within three years from the date of importation, for consumption upon payment of the duties and charges accruing thereon at the rate of duty imposed by law upon such merchandise at the date of withdrawal; or may be withdrawn for exportation or for transportation and exportation to a foreign country, or for shipment or for transportation and shipment to the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, or the island of Guam, without the payment of duties thereon, or for transportation and rewarehousing at another port or elsewhere, or for transfer to another bonded warehouse at the same port: *Provided*, That the total period of time for which such merchandise may remain in bonded warehouse shall not exceed three years from the date of importation. Merchandise upon which the duties have been paid and which shall have remained continuously in bonded warehouse or otherwise in the custody

6 FREE IMPORTATION OF PERSONAL AND HOUSEHOLD EFFECTS

and under the control of customs officers, may be entered or withdrawn at any time within three years after the date of importation for exportation or for transportation and exportation to a foreign country, or for shipment or for transportation and shipment to the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, or the island of Guam, under such regulations as the Secretary of the Treasury shall prescribe, and upon such entry or withdrawal, and exportation or shipment, the duties thereon shall be refunded.

* * * * *
SEC. 562. MANIPULATION IN WAREHOUSE.

Unless by special authority of the Secretary of the Treasury, no merchandise shall be withdrawn from bonded warehouse in less quantity than an entire bale, cask, box, or other package; or, if in bulk, in the entire quantity imported or in a quantity not less than one ton weight. All merchandise so withdrawn shall be withdrawn in the original packages in which imported unless, upon the application of the importer, it appears to the collector that it is necessary to the safety or preservation of the merchandise to repack or transfer the same: *Provided*, That upon permission therefor being granted by the Secretary of the Treasury, and under customs supervision, at the expense of the proprietor, merchandise may be cleaned, sorted, repacked, or otherwise changed in condition, but not manufactured, in bonded warehouses established for that purpose and be withdrawn therefrom for exportation to a foreign country or for shipment to the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, or the island of Guam, without payment of the duties, or for consumption, upon payment of the duties accruing thereon, in its condition and quantity, and at its weight, at the time of withdrawal from warehouse, with such additions to or deductions from the final appraised value as may be necessary by reason of change in condition. The basis for the assessment of duties on such merchandise so withdrawn for consumption shall be the adjusted final appraised value, and if the rate of duty is based upon or regulated in any manner by the value of the merchandise, such rate shall be based upon or regulated by such adjusted final appraised value. The scouring or carbonizing of wool shall not be considered a process of manufacture within the provisions of this section. Under such regulations as the Secretary of the Treasury shall prescribe, imported merchandise which has been entered and which has remained in continuous customs custody may be manipulated in accordance with the provisions of this section under customs supervision and at the risk and expense of the consignee, but elsewhere than in a bonded warehouse, in cases where neither the protection of the revenue nor the proper conduct of customs business requires that such manipulation be done in a bonded warehouse.

SECTION 401 (a) OF THE ANTISMUGGLING ACT

TITLE IV

SECTION 401. When used in this Act—

(a) The term "United States", when used in a geographical sense, includes all Territories and possessions of the United States, except the Philippine Islands, the Virgin Islands, the Canal Zone, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, and the island of Guam.

TITLE 18 OF THE UNITED STATES CODE

SEC. 542. ENTRY OF GOODS BY MEANS OF FALSE STATEMENTS.

Whoever enters or introduces, or attempts to enter or introduce, into the commerce of the United States any imported merchandise by means of any fraudulent or false invoice, declaration, affidavit, letter, paper, or by means of any false statement, written or verbal, or by means of any false or fraudulent practice or appliance, or makes any false statement in any declaration without reasonable cause to believe the truth of such statement, or procures the making of any such false statement as to any matter material thereto without reasonable cause to believe the truth of such statement, whether or not the United States shall or may be deprived of any lawful duties; or

Whoever is guilty of any willful act or omission whereby the United States shall or may be deprived of any lawful duties accruing upon merchandise embraced or referred to in such invoice, declaration, affidavit, letter, paper, or statement, or affected by such act or omission—

FREE IMPORTATION OF PERSONAL AND HOUSEHOLD EFFECTS 7

Shall be fined for each offense not more than \$5,000 or imprisoned not more than two years, or both.

Nothing in this section shall be construed to relieve imported merchandise from forfeiture under other provisions of law.

The term "commerce of the United States", as used in this section, shall not include commerce with the Philippine Islands, Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, or Guam.

* * * * *

SEC. 544. RELANDING OF GOODS.

If any merchandise entered or withdrawn for exportation without payment of the duties thereon, or with intent to obtain a drawback of the duties paid, or of any other allowances given by law on the exportation thereof, is relanded at any place in the United States without entry having been made, such merchandise shall be considered as having been imported into the United States contrary to law, and each person concerned shall be fined not more than \$5,000 or imprisoned not more than two years, or both; and such merchandise shall be forfeited.

The term "any place in the United States", as used in this section, shall not include the Philippine Islands, Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, or Guam.

SEC. 545. SMUGGLING GOODS INTO THE UNITED STATES.

Whoever knowingly and willfully, with intent to defraud the United States, smuggles, or clandestinely introduces into the United States any merchandise which should have been invoiced, or makes out or passes, or attempts to pass, through the customhouse any false, forged, or fraudulent invoice, or other document or paper; or

Whoever fraudulently or knowingly imports or brings into the United States, any merchandise contrary to law, or receives, conceals, buys, sells, or in any manner facilitates the transportation, concealment, or sale of such merchandise after importation, knowing the same to have been imported or brought into the United States contrary to law—

Shall be fined not more than \$10,000 or imprisoned not more than five years, or both.

Proof of the defendant's possession of such goods, unless explained to the satisfaction of the jury, shall be deemed evidence sufficient to authorize conviction for violation of this section.

Merchandise introduced into the United States in violation of this section, or the value thereof, to be recovered from any person described in the first or second paragraph of this section, shall be forfeited to the United States.

The term "United States", as used in this section, shall not include the Philippine Islands, Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, or Guam.

○

84TH CONGRESS } 1st Session }	HOUSE OF REPRESENTATIVES }	REPORT No. 859
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FREE IMPORTATION OF PERSONAL AND HOUSEHOLD
EFFECTS BROUGHT INTO THE UNITED STATES UNDER
GOVERNMENT ORDERS

JUNE 18, 1955.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. COOPER, from the Committee on Ways and Means, submitted
the following

REPORT

[To accompany H. R. 5560]

The Committee on Ways and Means, to whom was referred the bill (H. R. 5560) to make permanent the existing privilege of free importation of personal and household effects brought into the United States under Government orders, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Page 1, strike out lines 3 through 7, and insert:

That (a) the Act of June 27, 1942, entitled "An Act to exempt from duty personal and household effects brought into the United States under Government orders", as amended (U. S. C., title 50 App., secs. 801 and 802), is hereby amended to read as follows: "That under regulations to be prescribed by the Secretary of the Treasury, after consultation with such agencies as he shall consider to be substantially interested, the personal and household effects (with such limitation on the importation of alcoholic beverages and tobacco products as the Secretary may prescribe) of any person in the service of the United States who returns to the United States upon the termination of assignment to extended duty (as defined in the above-authorized regulations) at a post or station outside the customs territory of the United States, or of returning members of his family who have resided with him at such post or station, or of any person evacuated to the United States under Government orders or instructions, may be brought into customs territory of the United States without the payment of any duty or tax imposed upon, or by reason of, importation."

(b) The amendment made by subsection (a) shall be effective on and after July 1, 1955.

Amend the title so as to read:

A bill relating to the free importation of personal and household effects brought into the United States under Government orders, and for other purposes.

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PURPOSE

The purpose of H. R. 5560 is to provide permanent authority for the exemption from duty of personal and household effects brought into the United States under Government orders. Additionally, H. R. 5560 would amend the Tariff Act of 1930 (ch. 497, 46 Stat. 590), section 401 (a) of the Antismuggling Act (ch. 438, 49 Stat. 529), and sections 542, 544, and 545 of title 18, United States Code, so as to place the military and civilian personnel stationed on Johnston Island in the same legal position with regard to the customs laws and smuggling laws as the personnel stationed on Wake Island and Midway Island.

This legislation was recommended to the Congress by the Department of Defense.

GENERAL STATEMENT

The act of June 27, 1942 (Public Law 633, 77th Cong.; 56 Stat. 461), allowed, until the day following the proclamation of peace by the President, the free entry of personal and household effects of any person returning to the United States under Government orders.

Public Law 450 of the 82d Congress extended the period of free entry to April 1, 1953.

Public Law 20 of the 83d Congress continued the free-entry privilege to July 1, 1955.

H. R. 5560 will provide a permanent free-entry privilege for the personal and household effects of certain persons in the service of the United States.

The effect of this duty-free importation privilege is to avoid the imposition of undue administrative burdens upon persons evacuated to the United States and constitutes an important morale factor and inducement to overseas duty.

In view of the continuing international obligations and commitments of the Federal Government requiring the presence in many parts of the world of substantial numbers of Government personnel, it is your committee's opinion that the free-entry privileges as provided in this legislation should be made permanent.

In making this authority permanent, your committee has adopted an amendment which limits this duty-free privilege—under regulations to be prescribed by the Secretary of the Treasury—to persons in the service of the United States who return to the United States upon the termination of assignment to extended duty outside the customs territory of the United States, or of returning members of his family who have resided with him at the foreign post or station, or of any person evacuated to the United States under Government orders or instructions. This amendment has been adopted because it was brought to your committee's attention that Government personnel assigned to duty outside the United States for relatively short periods of time are availing themselves of this free-entry privilege.

H. R. 5560 would accord to personnel stationed on Johnston Island the same privilege granted to personnel stationed on Wake Island and Midway Island with respect to allowing personal and household effects to be admitted to the United States without payment of duty when such effects are forwarded to the United States by reason of Government instructions regarding the movement of the owner of the article.

FREE IMPORTATION OF PERSONAL AND HOUSEHOLD EFFECTS 3

Personnel stationed on Wake Island and Midway Island are entitled under present law to this privilege because these islands were exempted from the customs laws of the United States by the act of June 25, 1938 (ch. 679, 52 Stat. 1077) and are considered therefore, for customs purposes, as foreign countries. Under existing law a transfer of articles from Johnston Island to the Territory of Hawaii or the continental United States is not considered to constitute "an importation" within the meaning of the applicable sections of the customs laws.

COMMITTEE AMENDMENT TO H. R. 5560

Your committee has been informed that it has been the consistent construction of present law that it applies to all personal and household effects imported by any employee of the United States who arrives in the United States under Government orders or by any member of the family of such an employee even though such employee may be absent from the United States for only a short period of time. Among the beneficiaries of the statute have been many Government employees assigned to short periods of foreign duty, amounting in some cases to only a day or two. It has also been brought to the attention of your committee that abuses have developed with respect to shipments of liquor and tobacco products.

The committee believes that when Government personnel are assigned to posts outside the United States under such circumstances that their household effects may be transported at Government expense, and in some other cases where temporary assignments are so extended that items must be purchased abroad beyond the normal requirements of a tourist, such personnel deserve the benefits of the free-entry privilege, except as to liquor or tobacco products. Your committee was advised by the Treasury Department that in the administration of the law the Department would ordinarily limit importations of liquor and tobacco products to the amounts that may be imported duty free by returning United States residents under existing law.

Your committee believes that Government personnel assigned to duty outside the United States for relatively short terms are adequately provided for by the exemptions applicable to other returning residents of the United States.

Accordingly, your committee has adopted an amendment which provides that the duty-free privilege accorded under H. R. 5560 will be available only with respect to extended overseas assignments.

Your committee is unanimous in urging the enactment of H. R. 5560, as amended.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

4 FREE IMPORTATION OF PERSONAL AND HOUSEHOLD EFFECTS

ACT OF JUNE 27, 1942

(Public Law 633, 77th Cong.)

AN ACT To exempt from duty personal and household effects brought into the United States under Government orders

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, under such regulations as the Secretary of the Treasury may prescribe, the personal and household effects of any person in the service of the United States, or of his family, or of any person evacuated to the United States under Government orders, may be brought into the United States or any of its possessions, pursuant to Government orders or instructions, without the payment of any duty or tax imposed upon, or by reason of, importation.

SEC. 2. [This Act shall be effective with respect to articles entered for consumption or withdrawn from warehouse for consumption on or after December 8, 1941, and before July 1, 1955.] The free entry herein authorized shall apply to any effects described in section 1 which are in customs custody on the effective date of this Act, notwithstanding the provisions of sections 490 and 491 of the Tariff Act of 1930, as amended.

TARIFF ACT OF 1930

TITLE I—DUTIABLE LIST

SECTION 1. That on and after the day following the passage of this Act, except as otherwise specially provided for in this Act, there shall be levied, collected, and paid upon all articles when imported from any foreign country into the United States or into any of its possessions (except the Philippine Islands, the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, and the island of Guam) the rates of duty which are prescribed by the schedules and paragraphs of the dutiable list of this title, namely:

* * * * *

TITLE II—FREE LIST

SEC. 201. That on and after the day following the passage of this Act, except as otherwise specially provided for in this Act, the articles mentioned in the following paragraphs, when imported into the United States or into any of its possessions (except the Philippine Islands, the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, and the island of Guam), shall be exempt from duty:

* * * * *

TITLE IV—ADMINISTRATIVE PROVISIONS

PART I—DEFINITIONS

SEC. 401. MISCELLANEOUS.

When used in this title or in part I of title III—

* * * * *

(k) UNITED STATES.— The term "United States" includes all Territories and possessions of the United States, except the Philippine Islands, the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, and the island of Guam.

* * * * *

PART IV—TRANSPORTATION IN BOND AND WAREHOUSING OF MERCHANDISE

* * * * *

SEC. 557. ENTRY FOR WAREHOUSE—WAREHOUSE PERIOD—DRAWBACK.

(a) Any merchandise subject to duty, with the exception of perishable articles and explosive substances other than firecrackers, may be entered for warehousing and be deposited in a bonded warehouse at the expense and risk of the owner, importer, or consignee. Such merchandise may be withdrawn, at any time within three years from the date of importation, for consumption upon payment of the duties and charges accruing thereon at the rate of duty imposed by law upon such

FREE IMPORTATION OF PERSONAL AND HOUSEHOLD EFFECTS 5

merchandise at the date of withdrawal; or may be withdrawn for exportation or for transportation and exportation to a foreign country, or for shipment or for transportation and shipment to the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, or the island of Guam, without the payment of duties thereon, or for transportation and rewarehousing at another port or elsewhere, or for transfer to another bonded warehouse at the same port: *Provided*, That the total period of time for which such merchandise may remain in bonded warehouse shall not exceed three years from the date of importation. Merchandise upon which the duties have been paid and which shall have remained continuously in bonded warehouse or otherwise in the custody and under the control of customs officers, may be entered or withdrawn at any time within three years after the date of importation for exportation or for transportation and exportation to a foreign country, or for shipment or for transportation and shipment to the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, or the island of Guam, under such regulations as the Secretary of the Treasury shall prescribe, and upon such entry or withdrawal, and exportation or shipment, the duties thereon shall be refunded.

* * * * *

SEC. 562. MANIPULATION IN WAREHOUSE.

Unless by special authority of the Secretary of the Treasury, no merchandise shall be withdrawn from bonded warehouse in less quantity than an entire bale, cask, box, or other package; or, if in bulk, in the entire quantity imported or in a quantity not less than one ton weight. All merchandise so withdrawn shall be withdrawn in the original packages in which imported unless, upon the application of the importer, it appears to the collector that it is necessary to the safety or preservation of the merchandise to repack or transfer the same: *Provided*, That upon permission therefor being granted by the Secretary of the Treasury, and under customs supervision, at the expense of the proprietor, merchandise may be cleaned, sorted, repacked, or otherwise changed in condition, but not manufactured, in bonded warehouses established for that purpose and be withdrawn therefrom for exportation to a foreign country or for shipment to the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, or the island of Guam, without payment of the duties, or for consumption, upon payment of the duties accruing thereon, in its condition and quantity, and at its weight, at the time of withdrawal from warehouse, with such additions to or deductions from the final appraised value as may be necessary by reason of change in condition. The basis for the assessment of duties on such merchandise so withdrawn for consumption shall be the adjusted final appraised value, and if the rate of duty is based upon or regulated in any manner by the value of the merchandise, such rate shall be based upon or regulated by such adjusted final appraised value. The scouring or carbonizing of wool shall not be considered a process of manufacture within the provisions of this section. Under such regulations as the Secretary of the Treasury shall prescribe, imported merchandise which has been entered and which has remained in continuous customs custody may be manipulated in accordance with the provisions of this section under customs supervision and at the risk and expense of the consignee, but elsewhere than in a bonded warehouse, in cases where neither the protection of the revenue nor the proper conduct of customs business requires that such manipulation be done in a bonded warehouse.

SECTION 401 (a) OF THE ANTISMUGGLING ACT

TITLE IV

SECTION 401. When used in this Act—

(a) The term "United States", when used in a geographical sense, includes all Territories and possessions of the United States, except the Philippine Islands, the Virgin Islands, the Canal Zone, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, and the island of Guam.

TITLE 18 OF THE UNITED STATES CODE

SEC. 542. ENTRY OF GOODS BY MEANS OF FALSE STATEMENTS

Whoever enters or introduces, or attempts to enter or introduce, into the commerce of the United States any imported merchandise by means of any fraudulent or false invoice, declaration, affidavit, letter, paper, or by means of any false statement, written or verbal, or by means of any false or fraudulent practice or

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appliance, or makes any false statement in any declaration without reasonable cause to believe the truth of such statement, or procures the making of any such false statement as to any matter material thereto without reasonable cause to believe the truth of such statement, whether or not the United States shall or may be deprived of any lawful duties; or

Whoever is guilty of any willful act or omission whereby the United States shall or may be deprived of any lawful duties accruing upon merchandise embraced or referred to in such invoice, declaration, affidavit, letter, paper, or statement, or affected by such act or omission—

Shall be fined for each offense not more than \$5,000 or imprisoned not more than two years, or both.

Nothing in this section shall be construed to relieve imported merchandise from forfeiture under other provisions of law.

The term "commerce of the United States", as used in this section, shall not include commerce with the Philippine Islands, Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, or Guam.

SEC. 544. RELANDING OF GOODS

If any merchandise entered or withdrawn for exportation without payment of the duties thereon, or with intent to obtain a drawback of the duties paid, or of any other allowances given by law on the exportation thereof, is relanded at any place in the United States without entry having been made, such merchandise shall be considered as having been imported into the United States contrary to law, and each person concerned shall be fined not more than \$5,000 or imprisoned not more than two years, or both; and such merchandise shall be forfeited.

The term "any place in the United States", as used in this section, shall not include the Philippine Islands, Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, or Guam.

SEC. 545. SMUGGLING GOODS INTO THE UNITED STATES

Whoever knowingly and willfully, with intent to defraud the United States, smuggles, or clandestinely introduces into the United States any merchandise which should have been invoiced, or makes out or passes, or attempts to pass, through the customhouse any false, forged, or fraudulent invoice, or other document or paper; or

Whoever fraudulently or knowingly imports or brings into the United States, any merchandise contrary to law, or receives, conceals, buys, sells, or in any manner facilitates the transportation, concealment, or sale of such merchandise after importation, knowing the same to have been imported or brought into the United States contrary to law—

Shall be fined not more than \$10,000 or imprisoned not more than five years, or both.

Proof of the defendant's possession of such goods, unless explained to the satisfaction of the jury, shall be deemed evidence sufficient to authorize conviction for violation of this section.

Merchandise introduced into the United States in violation of this section, or the value thereof, to be recovered from any person described in the first or second paragraph of this section, shall be forfeited to the United States.

The term "United States", as used in this section, shall not include the Philippine Islands, Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, or Guam.



84TH CONGRESS
1ST SESSION

H. R. 5560

IN THE SENATE OF THE UNITED STATES

JUNE 24, 1955

Read twice and referred to the Committee on Finance

AN ACT

Relating to the free importation of personal and household effects brought into the United States under Government orders, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) the Act of June 27, 1942, entitled "An Act to
4 exempt from duty personal and household effects brought
5 into the United States under Government orders", as amended
6 (U. S. C., title 50 App., secs. 801 and 802), is hereby
7 amended to read as follows: "That under regulations to be
8 prescribed by the Secretary of the Treasury, after consulta-
9 tion with such agencies as he shall consider to be substantially
10 interested, the personal and household effects (with such

1 limitation on the importation of alcoholic beverages and
2 tobacco products as the Secretary may prescribe) of any
3 person in the service of the United States who returns to the
4 United States upon the termination of assignment to ex-
5 tended duty (as defined in the above-authorized regulations)
6 at a post or station outside the customs territory of the
7 United States, or of returning members of his family who
8 have resided with him at such post or station, or of any person
9 evacuated to the United States under Government orders or
10 instructions, may be brought into customs territory of the
11 United States without the payment of any duty or tax im-
12 posed upon, or by reason of, importation."

13 (b) The amendment made by subsection (a) shall be
14 effective on and after July 1, 1955.

15 SEC. 2. (a) The following provisions of the Tariff Act
16 of 1930, as amended, are hereby amended by inserting
17 "Johnston Island," immediately after "Kingman Reef," each
18 place it appears therein:

19 (1) That part of section 1 which precedes schedule
20 1 (19 U. S. C., sec. 1001).

21 (2) That part of section 201 which precedes sched-
22 ule 16 (19 U. S. C., sec. 1201).

23 (3) Section 401 (k) (19 U. S. C., sec. 1401 (k)).

24 (4) Section 557 (a) (19 U. S. C., sec. 1557 (a)).

25 (5) Section 562 (19 U. S. C., sec. 1562).

3

1 (b) Section 401 (a) of the Anti-Smuggling Act, as
2 amended (19 U. S. C., sec. 1709 (a)), is hereby amended
3 by inserting "Johnston Island," immediately after "King-
4 man Reef,".

5 (c) Sections 542, 544, and 545 of title 18 of the United
6 States Code are hereby amended by inserting "Johnston
7 Island," immediately after "Kingman Reef," each place it
8 appears therein.

9 (d) The amendments made by this section shall take
10 effect on the day following the day on which this Act is
11 enacted.

Passed the House of Representatives June 23, 1955.

Attest:

RALPH R. ROBERTS,

Clerk.

84TH CONGRESS
1ST SESSION

H. R. 5560

AN ACT

Relating to the free importation of personal
and household effects brought into the
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